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FOR G/TIP, EAP/MLS and EAP/RSP

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SUBJECT: LEGAL LABOR MIGRATION -- REDUCTING POVERTY OR TRAFFICKING  
THE POOR?

¶1. (U) Summary. On February 22, 37 Cambodian workers, who migrated legally to Thailand in January 2007 to work in a rubber factory, returned to Cambodia through their recruiting company. Workers complained that their working conditions were not as promised. The Cambodian government promotes labor migration as a means to increase income generation opportunity, reduce poverty and diminish stress on its labor market; however, poor management and lack of adequate monitoring may lead to a negative result. End Summary.

#### A Case of Migration Gone Bad

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¶2. (U) On February 22, the labor export company Top Manpower returned 37 out of 43 Cambodian legal migrant workers, who had gone to work in a rubber factory in the southern Thailand province of Nakorn Sri Thammarat under the labor export arrangement agreed to by both the Cambodian and Thai governments. The workers went to work for Southland Resources Factory on January 24, after being recruited by the Top Manpower recruiting company.

¶3. (U) According to the Cambodian human rights NGO LICADHO, the recruitment announcement stated that the workers were to work eight hours per day, in exchange for a daily wage of 240 to 260 Baht (~USD6.86 to USD 7.42). The factory was also responsible for daily meals and the accommodations of the workers. In reality, the workers had to work 10 hours per day for a daily wage of only 160 to 170 Baht (~USD4.57 to USD4.85). The factory also refused responsibility for meals and accommodations, as promised by the recruitment process. Workers claimed that in addition to the USD100 to USD150 each of them paid for their travel documents, the company charged each of them USD500 for unspecified reasons to be deducted from their respective salaries over a period of two years. The company confiscated the workers' passports upon arrival in Thailand.

¶4. (U) The workers tried to contact the labor recruiting company several times before their return, but to no avail. The workers could not return by themselves as their passports had been taken away. Eventually, the workers contacted LICADHO for assistance, after which the latter contacted the concerned authority in Thailand, leading to the eventual return of 37 workers. The other six workers decided to stay in the factories, after having re-negotiated with the factory.

¶5. (U) LICADHO staff indicated that the workers plan to file a complaint with the Ministry of Labor and Vocation training (MOLVT), demanding the return of their passports, repayment of the money they paid the company for their travel documents, and their unpaid salaries. The MOLVT said they will work with the recruiting company to resolve this problem.

¶6. (U) This case is illustrative of the legal migration dilemma. In 2006, the NGO Cambodian Women's Crisis Center (CWCC) reported

thirteen similar cases for Malaysia. In a public forum entitled safe migration and labor rights organized by the NGO Coordination of Action Research on AIDS and Migration (CARAM) Cambodia and MOLVT in September 2006, two women who had experienced difficult work conditions in Malaysia as domestic maids talked about their problems and ordeals. One said that her passport was taken but no document of any kind was given to verify her legal status. The other woman said that she complained of abusive work conditions to the recruitment company. However, the company told her that her pay would be cut if she changed employers. She ran away one day and met a sympathetic Malaysian who took her to CARAM, after which she was returned to Cambodia.

#### Passport Confiscation Justified

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¶7. (U) In the September CARAM-sponsored public forum, Ms. Medine Nathya, Director of the Cambodian Labor Supply Company, admitted that the company confiscates the workers' passports upon arrival. She claimed that workers often lose their passport which causes the company problems as well as a financial loss. She also said that the workers cannot use the passport anyway without authorization from the company. For these reasons, the company keeps the passports but provides workers with a paper allowing to travel freely within the country but not internationally. According to her, the MOLVT has approved this procedure.

#### Facts on Cambodian Exports of Labor

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¶8. (U) Mr. Nhem Kim Houy, Office Chief of the MOLVT's Employment Department, said that exporting labor abroad is one of the government priorities, as it is an effective means to promote Cambodian economic development through foreign remittances. He acknowledged that seeking employment for people is a challenge for

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the government; therefore, the government has to partner with private companies. Target destinations for Cambodian labor are Thailand, Malaysia, South Korea and Japan.

¶9. (U) According to statistics provided by the MOVLT, as of December 2006, 7,451 Cambodians had been sent to work legally in Malaysia since 1998, mostly in domestic work; 3,399 in the Republic of Korea since 2003; and 445 in the Kingdom of Thailand since October 2006. In 2006, Cambodia was permitted to send 1,050 workers to Korea but this quota has been increased to 3,000 additional workers for 2007. Sending labor to Japan is still under discussion since a bilateral labor export agreement has not yet been signed and as Japan demands higher standards than other countries.

¶10. (U) According to a 2006 survey, there are 180,000 Cambodian illegal migrants working in Thailand. Both countries have been working together to legalize the status of these workers so they may work in Thailand legally. Between March 2005 and March 2006, both governments registered and provided identity cards to 37,142 of the 180,000 illegal migrants; however, only 12,694 registered workers received a Thai visa and Work Permit. The Thai government also agreed to allow more Cambodian workers to work in Thailand through approved labor recruitment companies.

#### List of Approved Labor Export Companies

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¶11. (U) Labor export companies are required to deposit USD 100,000 with the MOLVT in order to gain the right to export labors. Below is a list of companies that have officially registered with the MOLVT and are recognized as legal exporting agents, according to a MOLVT directive dated October 12, 2006. It should be noted that earlier, there were more than 30 private companies, operating in Cambodia without depositing the required amount of money with the Ministry. Furthermore, although MOLVT has granted permission to two companies to send labor to Japan, the Japanese government has agreed only to accept trainees to upgrade their skills; to date, no Cambodians have been sent to Japan through this mechanism.

- ¶1. Cambodia Labor Supply Company PTY Ltd, sending workers to Malaysia, Thailand, South Korea and Japan.
- ¶2. Human Resources Development Co., Ltd, sending to Malaysia and Thailand.
- ¶3. Philimore Cambodia Co; Ltd, sending to Malaysia and Thailand.
  - ¶4. Human Power Co; Ltd, to Malaysia and Thailand.
  - ¶5. Mey Yourn Service Co; Ltd, to Thailand
  - ¶6. Top Manpower, to Thailand
  - ¶7. CDM Trading Manpower Co; Ltd to Thailand
- ¶8. Chhun Hong Manpower Pte. Ltd to Malaysia and Thailand
  - ¶9. VC Manpower Co; Ltd to Malaysia
- ¶10. (Cambodia) Victory Cooperation Co; Ltd, to Malaysia, Thailand and Japan.
  - ¶11. Ung Rithy Group, to Malaysia and Thailand.
  - ¶12. SPT International Cambodia Public, to Thailand.

Comment  
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¶12. (U) The case of 37 workers highlighted the fact that migrant workers, although having gone through legal channels to work in foreign countries, received little protection, if any, from the labor export companies or its agents. It is discouraging to see that the MOLVT agreed to and allowed the companies to confiscate the workers passports upon arrival at destination.

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